



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

#27 MAY 10, 2011

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**Los Angeles County
Board of Supervisors**

May 10, 2011

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Mitchell H. Katz, M.D.
Director

John F. Schunhoff, Ph.D.
Chief Deputy Director

Dear Supervisors:

**APPROVAL OF TRAUMA CENTER SERVICE AGREEMENT
AMENDMENTS
AND APPROPRIATION BUDGET ADJUSTMENT
(ALL SUPERVISORIAL DISTRICTS)
(4 VOTES)**

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

SUBJECT

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles
County residents through direct
services at DHS facilities and
through collaboration with
community and university
partners*

Request approval of Amendments to the Trauma Center Service Agreements, to allocate and distribute Senate Bill 1773 Pediatric Trauma Center funding for Fiscal Year 2010-11, and an appropriation adjustment to increase the Health Services – Hospital Services Account.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Health Services (Director), or his designee, to execute Amendments to the Trauma Center Service Agreements (TCSA) to reflect the allocation and distribution of an estimated \$4.678 million in Senate Bill (SB) 1773 pediatric trauma allocation (Richie's Fund), which consists of \$2.227 million to four non-County Pediatric Trauma Centers (PTCs) [excluding Northridge Hospital Medical Center (NHMC)] and \$2.451 million in Richie's Fund to the two County-operated PTCs.
2. Delegate authority to the Director, or his designee, to execute an Amendment to the TCSA with NHMC, to reflect the allocation and distribution of an estimated maximum funding of \$1.590 million in Richie's Fund during the first year of NHMC's operation as a PTC.



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3. Approve the attached Request for Appropriation Adjustment to increase revenue and services and supplies appropriation in the amount of \$3.817 million in the Health Services – Hospital Services Account for Fiscal Year (FY) 2010-11 to disburse \$2.227 million to four non-County PTCs and \$1.590 million to NHMC.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Pursuant to the authority granted under California Health and Safety (H&S) Code Section 1798.160, the County maintains trauma facilities as part of the regional trauma care system for treatment of potentially seriously injured persons. Division 2.5 of the H&S Code authorizes the local Emergency Medical Services (EMS) Agency to designate PTCs as part of the regional trauma care system.

Approval of the first recommendation will allow the Director to execute Amendments to the TCSA, Exhibit I, with the four non-County (excluding NHMC) and two County-operated PTCs, to allocate and distribute an estimated \$4.678 million of Richie's Fund, to continue expansion of pediatric trauma and emergency services based on 2009 pediatric trauma volume. Of this amount, \$2.227 million will be distributed to the four non-County PTCs in FY 2010-11, while the two County-operated PTCs have requested to receive their Richie's Fund distributions to support pediatric trauma care services based upon program funding needs in FY 2011-12.

Approval of the second recommendation will allow the Director to execute an Amendment with NHMC, Exhibit II, to allocate and distribute an estimated \$1.590 million of Richie's Fund to help defray the first year operating losses associated with operating and maintaining a PTC. On June 17, 2008, your Board approved distribution of an estimated \$2.0 million in Richie's Fund to NHMC, to assist in establishing a PTC in the San Fernando Valley. After meeting all of the requirements for full designation as a PTC, NHMC officially opened as a PTC on October 4, 2010. Previously, San Fernando area patients had to be transported via helicopter to Children's Hospital Los Angeles or Ronald Reagan University of California, Los Angeles (UCLA) Medical Center to ensure timely and appropriate care. Helping NHMC defray operating losses in its first three years of operating and maintaining a PTC is essential to ensuring accessible and timely service in the San Fernando Valley.

Pediatric trauma care is vital to public health and safety. PTCs save children's lives by providing immediate coordination of highly specialized care for the most life-threatening injuries. In communities with access to pediatric trauma care centers, children's mortality and morbidity rates from traumatic injuries are significantly reduced. It is essential for children in need of pediatric trauma care to receive that care within the 60 minute period immediately following injury. It is during this period, referred to as the "golden hour," when the potential for survival is greatest, and the need for treatment for shock or injury is most critical.

Approval of the third recommendation will enable the Department of Health Services (DHS) to increase its FY 2010-11 appropriation authority through a Request for Appropriation Adjustment (Attachment A), and transfers Richie's Fund in the amount of \$3,871 million from the EMS Trust Fund to the Health Services – Hospital Services Account.

Implementation of Strategic Plan Goals

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost. Approval of an appropriation adjustment is requested to increase revenue and services and supplies appropriation in the amount of \$3.817 million in the Health Services – Hospital Services Account for FY 2010-11. These funds will be distributed among five non-County PTCs, including NHMC, in the amounts specified in Attachment B.

Two County-operated PTCs will receive a total of \$2.451 million in FY 2011-12 (\$1.422 million to LAC+USC Medical Center and \$1.029 million to Harbor/UCLA Medical Center), to complete projects that enhance pediatric trauma and emergency services. Funding will be requested in DHS' FY 2011-12 Supplemental Budget Resolutions.

Since your Board's implementation of SB 1773, the cumulative total of the Richie's Fund, 15 percent pediatric allocation, is projected at \$9.468 million for the period March 2007 through June 2011, based on actual and estimated collections. In FY 2008-09, your Board approved a distribution of \$2.0 million allocation to NHMC to help defray the cost of becoming a PTC and \$1.2 million to the six existing PTCs to enhance pediatric trauma and emergency services, which reduced the projected total balance in Richie's Fund to \$6.268 million.

The recommended actions will allow DHS to allocate and distribute the remaining balance of \$6.268 million, through June 2011, to the seven PTCs as shown in Attachment B. Any future allocations and distributions of Richie's Fund, beginning with July 2011 collections, will be requested annually.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On March 6, 2007, your Board adopted a resolution which implemented the provisions of SB 1773, which was approved by the Governor on September 30, 2006. SB 1773 authorized your Board to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for criminal offenses to cover emergency and trauma services provided to indigent patients and improve emergency services in the County, so long as the increase penalties did not offset or reduce the funding of other programs from other sources. The funds being allocated are earmarked in the Legislation for the enhancement of pediatric trauma and emergency care.

The Legislation requires that 15 percent, also known as Richie's Fund, be allocated to implement and expand pediatric trauma and emergency services at both County and non-County facilities. Since your Board's approval, NHMC has been designated a PTC, bringing the total number of PTCs operating in Los Angeles County to seven.

On June 17, 2008, your Board approved distribution of \$1.2 million in equal amounts to the six current pediatric trauma centers, and \$2.0 million to NHMC to assist in establishing a PTC in the San Fernando Valley, for a total distribution of \$3.2 million (based on projected collections through December 2008) in Richie's Fund. The current TCSAs set out the trauma center and PTC service requirements.

On June 24, 2009, the EMS Agency, in collaboration with the American College of Surgeons completed a review to verify that the Pediatric Level II Trauma Center requirements included in NHMC's TCSA have been met.

On June 1, 2010, your Board authorized the Interim Director of Health Services (Interim Director), or

his designee, to execute an Amendment to the TCSA with the 14 designated trauma centers to extend the term of each Agreement through June 30, 2011, and delegated authority to the Interim Director, or his designee, to amend the TCSAs to extend the term, on a month-to-month basis, for up to one additional year through June 30, 2012.

On August 6, 2010, the Department of Health Care Services, Children's Medical Services Branch/California Children's Services Program granted NHMC a conditional approval as a Pediatric Intensive Care Unit.

The EMS Agency notified NHMC on September 17, 2010, that all requirements had been met for full designation as a PTC. NHMC officially opened as a PTC on October 4, 2010.

The recommended Amendment to the TCSA will provide for the allocation of Richie's Fund to designated PTCs to augment pediatric trauma and emergency services. Within six months of receipt of these funds, the existing PTCs (excluding NHMC) shall submit documentation for review and approval by DHS' EMS Agency to substantiate appropriate use to augment pediatric trauma and emergency services in line with the intent of the Legislation.

County Counsel has approved Exhibits I and II as to use and form.

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of these Amendments will allow for the expansion and augmentation of pediatric trauma care in Los Angeles County.

The Honorable Board of Supervisors

5/10/2011

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:rg

Enclosures

c: Executive Office, Board of Supervisors
Chief Executive Office
County Counsel
Auditor-Controller
Emergency Medical Services Commission
Hospital Association of Southern California

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. NO. 110

DEPARTMENT OF HEALTH SERVICES

May 10, 2011

AUDITOR-CONTROLLER:

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. PLEASE CONFIRM THE ACCOUNTING ENTRIES AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF EXECUTIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

FY 2010-11

4 - VOTES

SOURCES

USES

HS-Hospital Services Account
BW8-HS-41148--84-8431
Forfeitures & Penalties \$ 3,817,000
Increase Reveune

HS-Hospital Services Account
BW8-HS-41148-2000
Services & Supplies \$ 3,817,000
Increase Appropriation

SOURCES TOTAL: \$ 3,817,000

USES TOTAL: \$ 3,817,000

JUSTIFICATION

This appropriation adjustment transfers the SB 1773 Pediatric Trauma revenues, also known as the Richie's Fund, totaling \$3,817,000 from the BT7 Emergency Medical Services Trust Fund to the Hospital Services Account to increase the Revenue and Services and Supplies appropriation for disbursement to five private Trauma Centers in Fiscal Year 2010-11: (a) Northridge Hospital Medical Center, \$1,590,000, for defraying the operating losses associated with operating and maintaining a PTC; (b) four private Pediatric Trauma Centers (see Attachment A-1), totaling \$2,227,000, for continuous expansion of pediatric trauma and emergency services.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

[Signature]
AUTHORIZED SIGNATURE Mela Guerrero, Controller (DHS Controller's Div.)

BOARD OF SUPERVISOR'S APPROVAL (AS REQUESTED/REVISED)

27 MAY 10 2011

[Signature]
SACHI A. HAMAI
EXECUTIVE OFFICER

REFERRED TO THE CHIEF EXECUTIVE OFFICER FOR --

[] ACTION

[x] RECOMMENDATION

[x] APPROVED AS REQUESTED

[] APPROVED AS REVISED

AUDITOR-CONTROLLER

BY [Signature] KAORI SUKUMA

CHIEF EXECUTIVE OFFICER

BY [Signature]

B.A. NO. 181

April 19 20 11

April 21, 20 11

**County of Los Angeles - Department of Health Services
Attachment to Appropriation Adjustment
Payment to Non-County Pediatric Trauma Centers**

<u>Non-County Pediatric Trauma Centers (PTC)</u>	<u>Contract #</u>	<u>Amount</u>
Northridge Hospital Medical Center (New PTC)	H703473	\$ 1,590,000
<u>Other PTCs:</u>		
Cedars-Sinai Medical Center	H-703474	252,642
Childrens Hospital Los Angeles	H703478	1,169,637
Long Beach Memorial Hospital	H703522	538,033
Ronald Reagan UCLA Medical Center	H703698	266,677
Subtotal		<u>\$ 2,226,989</u>
Total Budget Adjustment		<u>\$ 3,816,989</u>
Rounded to \$ '000		\$ 3,817,000

PEDIATRIC TRAUMA CENTERS

	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>Total Allocation</u>
<u>NON-COUNTY PEDIATRIC TRAUMA CENTERS</u>	<u>PAYMENT BY JUNE 2011</u>	<u>PAYMENT BY SEPT 2011</u>	<u>TOTAL PAYMENT</u>
1) Northridge Hospital Medical Center (New PTC) - H703473	\$ 1,590,000	\$ -	\$ 1,590,000
Subtotal Northridge ^(a)	\$ 1,590,000	\$ -	\$ 1,590,000
2) Cedars-Sinai Medical Center - H-703474	\$ 252,642	\$ -	\$ 252,642
3) Childrens Hospital Los Angeles - H703478	1,169,637	-	1,169,637
4) Long Beach Memorial Hospital - H703522	538,033	-	538,033
5) Ronald Reagan UCLA Medical Center - H703698	266,677	-	266,677
Subtotal Other PTCs	\$ 2,226,989	\$ -	\$ 2,226,989
Non-County PTCs Total (1 to 5) (FY 10-11 Budget Adjustment)	\$ 3,816,989	\$ -	\$ 3,816,989
<u>COUNTY-OPERATED PEDIATRIC TRAUMA CENTERS</u> ^(b)			
7) LAC+USC Medical Center - H703480	-	1,422,279	1,422,279
8) LAC-Harbor/UCLA Medical Center - H703482	-	1,029,281	1,029,281
Subtotal County PTCs (FY 11-12 SBR)	\$ -	\$ 2,451,560	\$ 2,451,560
PTCs Total, Excluding Northridge (2 to 8)	\$ 2,226,989	\$ 2,451,560	\$ 4,678,549
Total Pediatric Allocations (1 to 8)	\$ 3,816,989	\$ 2,451,560	\$ 6,268,549 ^(c)

^(a) Allocation of Richie's Fund for years two (2) and three (3) operating losses will be included in future TCSA.

^(b) Funding requested in FY 2011-12.

^(c) Remaining balance in Richie's Fund as of January 2011, plus projected collections through June 30, 2011.

Contract No. _____

TRAUMA CENTER SERVICE AGREEMENT

AMENDMENT NO. ____

THIS AMENDMENT is made and entered into this _____ day of _____, 2011,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "TRAUMA CENTER SERVICE AGREEMENT", dated _____, and further identified as County Agreement No. _____, and any Amendments hereto (all hereafter referred to as "Agreement"); and

WHEREAS, various general acute care hospitals located within Los Angeles County have been designated by County as hospitals which are uniquely staffed and equipped to provide appropriate care to emergency pediatric patients who suffer major trauma; and

WHEREAS, it is the County's intent to allocate Senate Bill 1773 pediatric trauma allocation (Richie's Fund) to designated Pediatric Trauma Centers (PTCs) to offset the operating costs of augmenting pediatric trauma and emergency services during the term of this Agreement; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. Exhibit B.1, Senate Bill 1773 Funding Requirements, of Agreement shall be deleted in its entirety and replaced with the revised Exhibit B.1, Senate Bill 1773 Funding Requirements, attached hereto.

2. Exhibit C, PATIENT INCLUSION IN THE TRAUMA DATA SYSTEM, shall be deleted in its entirety and replaced with the revised Exhibit C, PATIENT INCLUSION IN THE TRAUMA DATA SYSTEM, attached hereto.

3. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director

Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

TRAUMA CENTER SERVICE AGREEMENT
PEDIATRIC TRAUMA CENTER SERVICE AUGMENTATION

EXHIBIT B.1
SENATE BILL 1773 FUNDING REQUIREMENTS

Chapter 841 of the Statutes of 2006 authorized the County Board of Supervisors (Board), until January 1, 2009, subsequently extended to January 1, 2014, by Chapter 288 of the Statutes of 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses.

This Legislation further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions (known as Richie's Fund) to provide funding for Pediatric Trauma Centers (PTCs) throughout the County, both publicly and privately owned and operated.

In keeping with the intent of Richie's Fund, the following PTCs will receive from the County, based on projected collections through June 2011, an estimated Four Million Six Hundred Seventy Eight Thousand Five Hundred Forty Nine Dollars (\$4,678,549). Payments of Two Million Two Hundred Twenty Six Thousand Nine Hundred Eighty Nine Dollars (\$2,226,989) will be made to the private PTCs (excluding Northridge Hospital Medical Center) by June 2011 as follows: 1) Two Hundred Fifty Two Thousand Six Hundred Forty-Two Dollars (\$252,642) to Cedars-Sinai Medical Center; 2) One Million One Hundred Sixty Nine Thousand Six Hundred Thirty-Seven Dollars (\$1,169,637) to Childrens Hospital Los Angeles; 3) Five Hundred Thirty Eight Thousand Thirty-Three Dollars (\$538,033) to Long Beach Memorial Hospital; and 4) Two Hundred Sixty Six Thousand Six Hundred Seventy-Seven Dollars (\$266,677) to

EXHIBIT B.1

The Regents of The University of California, a California Corporation, on behalf of The University of California Los Angeles. Payments of Two Million Four Hundred Fifty One Thousand Five Hundred Sixty Dollars (\$2,451,560) will be made by September 2011 to the County facilities as follows: 1) One Million Four Hundred Twenty Two Thousand Two Hundred Seventy Nine Dollars (\$1,422,279) to LAC+USC Medical Center; and 2) One Million Twenty Nine Thousand Two Hundred Eighty-One Dollars (\$1,029,281) to LAC-Harbor/UCLA Medical Center.

Within six (6) months of receipt of these funds, designated PTCs shall submit documentation for review by the Department of Health Services' Emergency Medical Services (EMS) Agency to substantiate appropriate use of funds to augment pediatric trauma and emergency services, including, but not limited to, equipment, patient education, staff education, and prevention.

The allocation of Richie's Fund collected to the aforementioned PTCs will be based on available funding and amounts collected, and may be distributed based on the same criteria used in FY 2010-11, and/or utilizing the results of an operational review conducted by the EMS Agency to determine the most appropriate and effective use of the funds.

Contract No. _____

TRAUMA CENTER SERVICE AGREEMENT

AMENDMENT NO. __

THIS AMENDMENT is made and entered into this _____ day of _____, 2011,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

(hereafter "Contractor").

WHEREAS, reference is made to that certain document entitled "TRAUMA CENTER SERVICE AGREEMENT", dated _____, and further identified as County Agreement No. _____, and any Amendments hereto (all hereafter referred to as "Agreement"); and

WHEREAS, various general acute care hospitals located within Los Angeles County have been designated by County as hospitals which are uniquely staffed and equipped to provide appropriate care to emergency pediatric patients who suffer major trauma; and

WHEREAS, Contractor is a County-designated Pediatric Trauma Center (PTC); and

WHEREAS, Contractor has agreed to maintain continuous participation as a County-designated PTC and provide all PTC required services during the term of this Agreement; and

WHEREAS, Contractor agrees to utilize all equipment, patient and staff education, and prevention activities paid for with funds authorized by this Amendment to provide and/or expand pediatric trauma and emergency services at Northridge Hospital Medical Center (NHMC); and

WHEREAS, it is the County's intent to allocate Senate Bill 1773 pediatric trauma allocation (Richie's Fund) to designated PTCs to offset the operating costs of augmenting pediatric trauma and emergency services during the term of this Agreement; and

WHEREAS, Agreement provides that changes may be made in the form of a written amendment, which is formally approved and executed by the parties.

NOW, THEREFORE, the parties agree as follows:

1. Paragraph 4 A, SPECIFIC RESPONSIBILITIES OF CONTRACTOR, of Agreement shall be deleted in its entirety and replaced with the following:

"A. Contractor shall furnish Pediatric Trauma Center services to patients in need thereof who are delivered, or present themselves, to Contractor. In the provision of such services, Contractor shall comply at all times during the term of this Agreement with the staffing criteria and other requirements of Exhibit "A.IV".

2. Exhibit B.2, PEDIATRIC TRAUMA CENTER SERVICE AUGMENTATION SENATE BILL 1773 FUNDING REQUIREMENTS, shall be deleted in its entirety and replaced with the revised Exhibit B.2, PEDIATRIC TRAUMA CENTER SERVICE AUGMENTATION SENATE BILL 1773 FUNDING REQUIREMENTS, attached hereto.

3. Except for the changes set forth hereinabove, the wording of Agreement shall not be changed in any respect by this Amendment.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officers, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell Katz, M.D.
Director

Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

TRAUMA CENTER SERVICE AGREEMENT
PEDIATRIC TRAUMA CENTER SERVICE AUGMENTATION

EXHIBIT B.2
SENATE BILL 1773 FUNDING REQUIREMENTS

Chapter 841 of the Statutes of 2006, authorized the County Board of Supervisors (Board), until January 1, 2009, subsequently extended to January 1, 2014, by Chapter 288 of the Statutes of 2008, to elect to levy an additional penalty in the amount of \$2 for every \$10, upon fines, penalties, and forfeitures collected for specific criminal offenses.

This Legislation further authorized the Board to utilize fifteen percent (15%) of the funds collected pursuant to these provisions (known as Richie's Fund) to provide funding for Pediatric Trauma Centers (PTCs) throughout the County, both publicly and privately owned and operated.

Northridge Hospital Medical Center (NRH) was approved by the Department of Health Services' Emergency Medical Services (EMS) Agency as a PTC in October 2010, and is estimated to treat 130 patients in Fiscal Year (FY) 2010-11. To help defray first-year operating losses associated with maintaining a PTC, Northridge Hospital Medical Center (NRH) will receive from the County an estimated \$1.6 million in Fiscal Year (FY) 2010-11. Payments to NRH for operating losses incurred in the second and third operating years will be included in future Trauma Center Service Agreements.

Further, NRH agrees to utilize all equipment and other products purchased using funds authorized by this Legislation to provide expanded pediatric care at NRH.